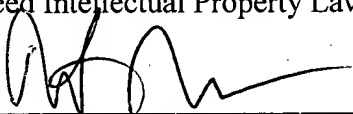Attached hereto is a marked-up version of the changes made to the specification and claims by the current amendment. The attached page is captioned "**Version With Markings to Show Changes Made.**"

All of the claims remaining in the application are now clearly allowable. Favorable consideration and a Notice of Allowance are earnestly solicited.

Respectfully submitted,

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In the Claims:

Claims 11-17 and 19 have been amended as follows:

11.   (Amended)   A method as claimed in claim 1, 2, or 3 ~~or 4~~, wherein the local motion vector for a group of data blocks comprises a median of the motion vectors for the data blocks in the group.

12.   (Amended)   A method as claimed in claim 1, 2, or 3 ~~or 4~~, wherein the local motion vector for a group of data blocks comprises a most common value of the motion vectors for the data blocks in the group.

13.   (Amended)   A moving pictures encoder for encoding a sequence of pictures, ~~including~~ the encoder comprising:

a motion vector detector coupled to receive picture data from the sequence of pictures for determining respective motion vectors for data blocks in a picture of the picture sequence, wherein each motion vector is determined using a comparison of the data block with search window data from a reference picture;

a local motion estimator coupled to the motion vector detector for determining and storing a local motion vector based on motion vectors from a group of adjacent data blocks from a picture; and

wherein the motion vector detector ~~utilises~~ utilizes stored local motion vectors from a previously coded picture to determine the search window data.

14.   (Amended)   A moving pictures encoder as claimed in claim 13, wherein the reference picture is stored in a frame buffer memory, the search window data in a search window cache memory, and wherein the motion vector detector is coupled to control transfer of

data from the frame buffer memory to the search window cache memory on the basis of stored local motion vectors.

15. (Amended) A moving pictures encoder as claimed in claim 14, wherein a group of adjacent data blocks ~~utilised~~ utilized by the local motion estimator to determine a local motion vector comprises a row of macroblocks from a picture.

16. (Amended) A moving pictures encoder as claimed in claim 13, further including a transform coder and a statistical coder which uses variable length code tables for encoding the motion vectors, and a maximum vector ~~analyser~~ analyzer for determining a maximum vector magnitude from the local motion vectors for a picture and selecting a variable length coding table for use by the statistical coder on the basis of the maximum vector magnitude.

17. (Amended) A coding apparatus for encoding picture data in a sequence of pictures wherein data representing a picture in the sequence is arranged in a plurality of adjacent data blocks and motion vectors are generated for the data blocks of a picture in the sequence, the coding apparatus ~~including~~ comprising:

a local motion estimator for generating respective local motion vectors for groups of adjacent data blocks in the object picture, wherein a local motion vector for each group of data blocks is generated according to individual motion vectors of the data blocks in the group;

a local motion vector storage memory for storing the local motion vectors for the object picture; and

a motion vector detector for generating motion vectors for data blocks in an object picture, the motion vector detector including a search window cache for caching a selected portion of a reference picture and a search engine for comparing data blocks of the object picture with the search window cache contents, wherein the contents of the search window cache are selected according to a local motion vector retrieved from the local motion vector storage memory from a previously coded picture in the picture sequence.

19.   (Amended)   A coding apparatus as claimed in claim 17, further including a transform coder and a statistical coder which uses variable length code tables for encoding the motion vectors, and a maximum vector analyser analyzer for determining a maximum vector magnitude from the local motion vectors for a picture and selecting a variable length coding table for use by the statistical coder on the basis of the maximum vector magnitude.

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